

Insurance bill: Technical changes and corrections

- January 2010

SB 6253

Making a series of technical corrections and improvements.

The changes include streamlining administrative processes, changing reporting dates, and fixing drafting errors in legislation approved in 2009.

What this bill will do

This bill makes technical changes to streamline administrative procedures and correct drafting errors in past legislation.

Background

This bill would correct some inadvertent errors in recent insurance legislation, as detailed below. It also makes some relatively minor changes in reporting by charitable gift annuities, service of process, a licensing renewal date and fee deposits. These changes will improve operations for both the agency and those it regulates.

The changes

Correcting a typo in the 2009 Emergency Powers legislation

RCW 48.02.060 (1)(4)(c) now reads, “Temporary postponement of cancellations and renewals.” This would change it to correctly read, “Temporary postponement of cancellations and non-renewals.”

Changing the basis of annual reporting by charitable gift annuities

Every charitable gift annuity must now file a report of its financial condition with the Insurance Commissioner’s Office by March 1 of each year, regardless of its actual fiscal year. Allowing them to report in sync with their actual fiscal year would reduce their workload and costs, while still ensuring that the data is reported annually. Also, the agency’s work of analyzing the reports would be distributed more evenly across the year, rather than bunched up in March.

Restoring a reference to Medicare Supplemental Coverage Part F

This reference was inadvertently omitted from the 2009 technical bill.

Correcting a typo in 2009’s SSB 5480

The bill, when passed, included the word “to” in the following sentence: “...discount plan organizations which are licensed under to this chapter as long as all written communications...” The word “to” would be removed.

Streamlining service of process

Under current law, lawsuits against certain insurers or agents must be served on the commissioner; the OIC is then required to forward the lawsuit papers by certified or registered mail. This is an unnecessary expense for the state. The requested change would allow the agency to forward these documents electronically or by first class mail.

Deposit of life settlements license fees

The life settlement bill passed last year incorrectly routed these fees to the insurance regulatory account. These fees should be deposited in the general fund, as are all other license fees.

Discount health plan license renewal date

This would change the licensing renewal date for discount health plans to July 1, when all other limited insurance license renewals come due. The unintended exception for discount health plans creates added work for the agency with no added benefit to the plans or consumers.